

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Mines & Minerals - M/s. APMDC Ltd. - Proposal (i) for establishment of Barytes Beneficiation Plant in Joint Venture with M/s. ONGC Ltd., and (ii) proposal to call for Public tenders for establishment of two more Barytes Beneficiation Plants one with 5.00 Lakh MTs per annum capacity and another with 2.00 Lakh MTs per annum capacity - Orders - Issued.

INDUSTRIES & COMMERCE (M-II) DEPARTMENT

G.O.RT.No. 93

Dated: 24-03-2017

Read:

From M/s. APMDC Ltd., Lr., No. APMDC/M&S/BAR/
BENEF-JV/2015-16/2151, Dt. 06.12.2016.

ORDER:

In the letter read above, the Vice Chairman & Managing Director, M/s. Andhra Pradesh Mineral Development Corporation Limited has stated that APMDC produces Barytes from their Mines, situated at Mangampeta Village, in Kadapa District of Andhra Pradesh. There are 3 grades of Barytes viz. A grade Barytes (with min.4.20 SG and above) which constitutes about 50% of the production; B grade Barytes (with min.4.10 SG and below 4.20 SG) constitutes about 15% of the production and C+D+W grade Barytes constitutes about 35% of the production. The Specific Gravity (SG) of the C+D+W material varies from 3.85 to 4.00.

2. The A grade and B grade Barytes are directly marketable, whereas C & D grade Barytes, mixed with about 35% of waste is having limited market. The Corporation has accumulated an inventory of nearly 63 Lakh MTs in the vicinity of the Mine. The value of the dumps at the prevailing price of Rs.1600/MT on ex-mine basis exclusive of statutory levies works out to Rs.1008 Crores. Further, there would be addition of 1 Million tons every year. Hence, there is a need to beneficiate this low grade material in tune with the principle of mineral conservation and also to recover the sunk cost in raising this low grade Barytes.

3. The Vice Chairman & Managing Director, M/s. Andhra Pradesh Mineral Development Corporation Limited has stated that the Corporation intends to establish a Barytes Beneficiation Plant with an initial capacity of 2.00 Lakh MTs in Joint Venture with M/s. ONGC Ltd., and also to establish two more Barytes Beneficiation Plants one with 5.00 Lakh MTs capacity and another with 2.00 Lakh MTs capacity through public tenders. The APMDC has stated that the establishment of the proposed 3 Beneficiation plants would facilitate liquidation 9.00 Lakh MTs of C+D+W grade Barytes yielding a revenue of about Rs.122 Crores per annum.

4. Therefore, the Vice Chairman & Managing Director, M/s. Andhra Pradesh Mineral Development Corporation Limited has requested the Government to accord approval for establishing the three Barytes Beneficiation plants i.e. (i) One Beneficiation Plant with M/s ONGC on Joint Venture basis; and (ii) Two Barytes Beneficiation plants through public tenders.

(P.T.O)

5. After careful examination of the matter, the Government have considered the above proposal and hereby accord permission to the Vice Chairman & Managing Director, M/s. Andhra Pradesh Mineral Development Corporation Limited on the following:

- (i) to establish a Barytes Beneficiation plant with an initial capacity of 2.00 Lakh MTs per annum in Joint Venture with ONGC Ltd., with a capital contribution in the ratio of 51% by APMDC and 49% by ONGC and supply of C+D+W grade Barytes at a sale price equal to the sale price of A grade Barytes divided by 3.7231.
- (ii) to establish 2 (two) more Barytes Beneficiation plants, one with a capacity of 5.00 Lakh MTs per annum and another with a capacity of 2.00 Lakh MTs per annum, with a minimum reserve free ride equity of 26% and supply of C+D+W grade Barytes at a sale price equal to the sale price of A grade Barytes divided by 3.7231.

6. The Vice Chairman & Managing Director, M/s. Andhra Pradesh Mineral Development Corporation Limited, Hyderabad shall take necessary action in the matter accordingly.

7. This order issues with the concurrence of Finance Department vide their U.O.No.45027/458/2016, dated:20.02.2017.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B. SREEDHAR
SECRETARY TO GOVERNMENT (MINES)

To
The VC & MD, M/s. AP Mineral Development Corporation Ltd. (M/s. APMDC Ltd.),
Hyderabad.

Copy to:

The Director of Mines & Geology, GoAP., Ibrahimpatnam, Vijayawada.
The Finance Department
The P.S to Prl. Secretary to C.M.
The P.S. to M (M&G).
The P.S to Secretary (Mines)
Sf/Sc (C.No.20644/M.II/2016)

//FORWARDED :: BY ORDER//

SECTION OFFICER